

Internal Revenue Service

Number: **200805001**

Release Date: 2/1/2008

860D.00-00, 9100.00-00

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:FIP:B03

PLR-100957-07

Date:

October 30, 2007

Legend:

Trust =

Fund 1 =

Fund 2 =

Fund 3 =

Depositor =

Seller =

Servicer =

Backup Servicer =

Trustee =

Bank =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Dear :

This responds to a letter dated December 28, 2006, requesting an extension of time under § 301.9100-1 of the Procedure and Administration Regulations to make elections under § 860D of the Internal Revenue Code ("the Code") to be treated as a Real Estate Mortgage Investment Conduit (REMIC).

FACTS:

Trust was established on Date 1, by agreement between Depositor, Seller, Servicer, Backup Servicer, and Trustee. Trust was established to facilitate the securitization of REMIC regular interests created upon the conveyance of certain mortgage loans to the Depositor from the Seller. Trust consists of three segregated pools of assets: Fund 1, Fund 2, and Fund 3. Fund 1 refers to the segregated pool of assets consisting of mortgage loans and other related assets. Fund 2 refers to the segregated pool of assets consisting of Fund 1 regular interests. Fund 3 refers to the segregated pool of assets consisting of Fund 2 regular interests. The transaction is evidenced by an Offering Circular and a Pooling and Servicing Agreement, each of which states the intention of Trust to make three REMIC elections for the Funds.

Trustee assigned an employee to be responsible for performing the administrative actions for the Trust. This employee failed to perform tax reporting for Trust, including filing tax returns and making elections under § 860D(b)(1) for the Funds to be treated as REMICs. Trustee discovered the failure to make REMIC elections and file tax returns for the Funds on Date 2. Bank purchased the corporate trust and institutional custodial business of Trustee on Date 3. After Trustee advised Bank on Date 4 that it failed to make the REMIC elections for the Funds, Bank initiated the process of preparing a request for relief under § 301.9100-1.

Trust makes the following additional representations:

1. The request for relief was filed by Trust for the Funds before the failure to make regulatory elections was discovered by the Service.
2. Granting the relief requested will not result in Trust or the Funds having a lower tax liability in the aggregate for all years to which the regulatory election applies than that Trust or Fund would have had if the election had been timely made (taking into account the time value of money).
3. Trust did not seek to alter a return position for which an accuracy-related penalty has been or could have been imposed under section 6662 of the Code at the time the Trust requested relief for the Funds and the new position requires or permits a regulatory election for which relief is requested.

4. Being fully informed of the required regulatory election and related tax consequences, Trust did not choose to not file the election for the Funds.

LAW AND ANALYSIS:

Section 860D(b)(1) of the Code provides that an entity which meets the requirements of a REMIC under § 860D(a) may elect to be treated as a REMIC for its first taxable year and that such election must be made on the return for its first taxable year. Section 1.860D-1(d)(1) provides that a qualified entity makes a REMIC election by timely filing, for its first taxable year, a Form 1066 signed by a person authorized to sign that return. This regulation also provides a reference to § 301.9100-1 for rules regarding extensions of time for making elections.

Section 1.860F-4(b)(1) of the regulations provides that the due date and any extensions for filing a REMIC's annual tax return are determined as if the REMIC were a partnership. Therefore, pursuant to section 1.6031-1(e)(2), a REMIC's annual return must be filed on or before the fifteenth day of the fourth month following the close of the taxable year, unless an extension is granted.

Section 301.9100-1(c) of the regulations provides, in part, that the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election (defined in section 301.9100-1(b) as an election whose due date is prescribed by regulations or by a revenue ruling, a revenue procedure, a notice, or an announcement published in the Internal Revenue Bulletin), or a statutory election (but no more than 6 months except in the case of a taxpayer who is abroad), under all subtitles of the Code except E, G, H, and I.

Sections 301.9100-3(a) through (c)(1)(i) of the regulations set forth rules that the Internal Revenue Service generally will use to determine whether, under the particular facts and circumstances of each situation, the Commissioner will grant an extension of time for regulatory elections that do not meet the requirements of section 301.9100-2. Section 301.9100-3(b) provides that subject to paragraphs (b)(3)(i) through (iii) of section 301.9100-3, when a taxpayer applies for relief under this section before the failure to make the regulatory election is discovered by the Service, the taxpayer will be deemed to have acted reasonably and in good faith; and section 301.9100-3(c) provides that the interests of the government are prejudiced if granting relief would result in the taxpayer having a lower tax liability in the aggregate for all years to which the regulatory election applies than the taxpayer would have had if the election had been timely made (taking into account the time value of money).

CONCLUSION:

Based on the information submitted and representations made, we conclude that Trust has satisfied the requirements for granting a reasonable extension of time to elect

REMIC status for the Funds. Therefore, Trust is granted an extension of time not to exceed 30 days from the date of this letter to elect REMIC status for the Funds for purposes of section 860D(b) and section 1.860D-1(d)(1).

This ruling is limited to the timeliness of the REMIC elections of the Funds. This ruling does not relieve Trust or the Funds from any penalty that they may owe as a result of the failure to timely file Forms 1066 for the Funds. This ruling's application is limited to the facts, representations, Code sections, and regulations cited herein. No opinion is expressed with regard to whether the Funds meet the requirements of a REMIC under section 860D(a).

No opinion is expressed with regard to whether Trust's or any Fund's tax liability is not lower in the aggregate for all years to which the election applies than such tax liability would have been if the election had been timely made (taking into account the time value of money). Upon audit of the federal income tax returns involved, the director's office will determine such tax liability for the years involved. If the director's office determines that such tax liability is lower, that office will determine the federal income tax effect. Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent. In accordance with the provisions of a Power of Attorney currently on file, we are sending a copy of this ruling letter to your authorized representative.

Sincerely yours,

Alice M. Bennett
Chief, Branch 3
Office of Associate Chief Counsel
(Financial Institutions and Products)

cc: